



Butte Local
Development
Corporation

Senate Taxation Committee

SENATE TAXATION

EXHIBIT NO. 2
DATE 2-22-07
BILL NO. SB-483

Dear Chairman Elliott and members of the Senate Taxation Committee;

I am writing this letter to voice the Butte Local Development Corporation's (BLDC) opposition to SB 483.

The Tax Increment Financing Industrial District (TIFID) program is the most valuable economic development tool available throughout the state. This program allows for a public-private partnership through the development of infrastructure needed to support new and expanding industries within the designated TIFID districts.

The BLDC was part of the team that recruited Advanced Silicon Materials Incorporated (ASiMI) to locate their \$550 million facility in Butte. The TIFID program played a huge part in our success. Through the use of the TIFID approximately \$54 million of infrastructure was constructed. This infrastructure was designed to not only accommodate ASiMI's current and future needs but also further industrial development within the industrial park. The ASiMI project is a great example of how the TIFID program can greatly assist in the development of new industrial and economic development for our cities, counties and state.

We fully realize that there have been recent proposed uses of TIFIDs that stretch the initial purpose of the program. In recognition of these situations, a work group was put together to propose changes to the current TIFID law. The work group was composed of TID and TIFID administrators, economic development practitioners, and representatives from the Department of Revenue and the Administration. After several meetings and conference calls, the work group has proposed language that would restrict the use of TIFIDs to their original purpose. This language is incorporated in LC 1911 that is sponsored by Representative Jon Sesso. The work group's main focus was to tighten the TIFID language to insure that it is a viable economic development tool for years to come.

Once again, we ask that you oppose SB 483. Thank you for your consideration on this matter.

Sincerely,

Jim Smitham
Executive Director

